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# Aspects of the formation of market relations in Uzbekistan.

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#### **ABSTRACT**

Market economy is the basis of commodity-money relations, the nature of which is determined by objective economic laws. Market relations began to take shape at the dawn of civilization and went through more than a thousand-year path of development. Historically, two types of market relations. The first was spontaneously composed of scattered and uncoordinated actions of the producer and the consumer. The second is the complete opposite of the first: the state, through the introduction of prices, taxes, interest rates, profits, rents, subsidies and other instruments, has made market relations focused.

The world experience and experience of Uzbekistan indicate that the market economy is developing according to objective laws that do not depend on anyone's will, and their ignoring is fraught with serious negative consequences.

At present, market relations are the main form of existence of the world economy.

**Keywords:** market economy, economic zones, product, model, market relations, formation, consumer, producer.

## 1. INTRODUCTION

The market economy has the following features:

- the producer, whether an individual or a team, carries out independent economic activities;
- the commodity producer is the owner or tenant of property, since he realizes his right to work through the right to private property;
- the commodity producer is the owner of the goods produced and he has the right to dispose of the goods;
- the fate of a product that has entered the market is decided as a result of free bargaining, on one side of which is the manufacturer of the product, and on the other side its buyer;
- a market economy does not recognize a monopoly on production, its driving force is healthy competition;
- conditions on the commodity market are dictated not by the producer, but by the consumer, since the commodity is intended for him, for which he usually pays for money; the manufacturer makes a profit and the right to exist, subject to the satisfaction of the needs of the buyer;
- a product that has entered the market of goods and services acquires additional value, since time is spent on its sale, or rather, the labor of the seller;
- demand determines supply: goods that are in high demand produce higher profits, which stimulates the development of a particular industry or agricultural production;
- in a market economy, producers and other members of society, depending on the income received, form a particular social group. Market relations in Uzbekistan are rooted in deep antiquity. According to the testimony of historical documents, a thousand years ago, merchants of Samarkand, Bukhara and Khiva exported beautiful and sturdy, and therefore competitive goods to India, China, the Middle East, Russia and Western Europe, which stimulated local production.

The world experience and experience of Uzbekistan indicate that the market economy is developing according to objective laws that do not depend on anyone's will, and their ignoring is fraught with serious negative consequences.

After gaining independence, Uzbekistan followed the path followed by the entire world civilization. The market economy develops everywhere and always according to the same laws, which, however, does not exclude the peculiarities of its formation in various countries. The latter is due to a number of reasons, among which are the natural and climatic conditions, the historical features of the structure of the national economic complex, traditions and customs, the whole mentality of a given people, and so on.

#### 2. MAIN PART

Uzbekistan has developed its own program of transition to a market economy. The basic principles of its economic development are outlined in the work of I. Karimov "Uzbekistan - own model of transition to market relations", his speeches and reflected in the laws adopted by the parliament of the republic.

The policy of reforming the economy in transition was based primarily on an analysis of world experience. However, it was necessary to take into account both the economic opportunities and the conditions

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of the republic, which inherited a heavy socio-economic legacy from the previous regime. The command-administrative methods of management, the practice of directive planning, inter-branch relations, the pricing system, theft and other criminal offenses that were destroyed during the period of "restructuring" remained from the "ordering to live long" system. There was a fact of the hardest economic crisis. Uzbekistan was in fact a raw materials appendage to a huge empire that supplied cheap raw materials and strategically valuable mineral resources. Industrial production was mainly focused on the primary processing of raw materials and the production of semi-finished products, which adversely affected the demographic situation.

The economy of the former Soviet Union was extremely politicized. Many industrial and mining enterprises of the republic were connected by invisible threads of the technological cycle with other production associations located outside Uzbekistan. After the collapse of the USSR, this cumbersome economic structure collapsed, resulting in the republic's economy being in dire straits.

The situation was no better in agriculture. The cult of cotton flourished in the republic. For this reason, Uzbekistan imported food from the Center. Moreover, by the end of the 80s the standard of living in the republic had sharply decreased: if in Russia and Ukraine only 30% of the population had incomes below the subsistence minimum, in Uzbekistan this figure was 70%. All these circumstances, of course, were taken attention in the development of the concept of "transitional phase."

he radical reformed economy of Uzbekistan, the introduction of market relations in public life is based on a clearly defined strategic line, which serves as a guide for the following:

- creation of a strong and reliable economic system, the most acceptable for the life and activities of citizens of the republic;
- the revival of private property and ensuring its protection by the state as a pledge of the revival of creative initiative and enterprise, as well as the formation of a mixed economy;
- granting full economic freedom to enterprises and citizens and the refusal of the state to interfere in their economic activities;
- deep restructuring of the economy; "Drawing" of commodity producers into the competition, which objectively leads to the effective exploitation of mineral, natural and labor resources;
  - joining the world integration processes;
- propaganda of progressive ideas and achievements and liquidation of an imbalance between national public consciousness and time experienced. In his writings and speeches, I. Karimov identifies such priority areas for the development of a complex national economic complex as: market economy reform
- stabilization of the market for goods and services, which requires tightening financial policies, strengthening the credit and banking system, developing measures to prevent the depreciation of securities and introducing antitrust procedures;
- an increase in the production of goods through the introduction of advanced technologies and support for medium and small businesses;
- the introduction of mechanisms that stimulate the work of a rural worker, and his transformation into the owner of the products produced by him; development of agricultural processing production in the village; improvement of village infrastructure due to expansion of the network of public services;
  - provision of the population with food;
  - promoting the development of basic industries: oil and gas, energy, gold and nonferrous metallurgy;
  - maximum use of export opportunities of the country;
- granting more freedom in foreign economic activity; improvement of the investment base; expansion of the open door policy.

The strategy of implementing market reforms proposed by the President of the country formed the basis of the economic policy of Uzbekistan. The first stage of the development of a market economy in Uzbekistan covered the period from the declaration of independence to the appearance of the national currency on the domestic market. At this stage, two fundamentally important tasks were solved in the republic. First, the difficult consequences of the command-administrative system were overcome and economic stability was achieved. Secondly, the foundation was laid for the formation of market relations. The first stage of reforms laid the legal foundations of market relations. The reforming process touched first of all on the state itself and ended with the creation of a new power structure that organically linked all its branches: legislative (parliament), executive (government) and judicial. Under the President of the Republic of Uzbekistan, a special Council on Economic Reform, Entrepreneurship and Foreign Investment was established. It was made about 100 laws that have a particular relationship to the economy. Adopted laws can be divided into five categories.

The first group of laws dealt with issues of independence, including economic, and determined the procedure for governing the state. On their basis, central and local governments function.

The second group of laws directly concerns economic relations, more precisely, a mixed economy and private property. Among them a significant place is occupied by laws on property, on land, on privatization and privatization, on rent, on privatization of state housing stock, etc. They became the legal basis for the formation of a mixed economy that is necessary in the context of the emergence and existence of market relations.

The third group of laws concerns economic entities. Among them are the following: about enterprises,

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cooperatives, dekhkan farms, collective farms and partnerships. They became the legal basis for the creation of new forms of management. This category of laws also includes legislative acts that formed the market infrastructure and determined the order of banking activities: on the monetary system, on entrepreneurship, on insurance, on the stock exchange and exchange activities, on auditing, on securities, on the stock exchange, etc.

#### 3. CONCLUSION

Laws defining the relationship between the state and the enterprise, as well as laws on taxation, on limiting the activities of monopolies, on the bankruptcy of enterprises have been developed and entered into force. The final legislative document was the economic and procedural code. The adoption of these laws served as the foundation for the formation of market mechanisms in the republic.

The fourth group of laws concerns the stimulation of foreign economic activity: on foreign economic activity; about Uzbekistan's membership in leading countries.

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